

EXHIBIT A

Original

Form 906-C
(Rev. August 1994)

Department of the Treasury --- Internal Revenue Service

**Closing Agreement on Final Determination
Covering Specific Matters**

Under section 7121 of the Internal Revenue Code

W.R. Grace & Co. and Subsidiaries, EIN 65-0773649, (hereinafter "Grace") on its own behalf and as common parent of W.R. Grace & Co. & Subsidiaries Consolidated Group

(Taxpayer's name, address, and identifying number)

7500 Grace Drive, Columbia, MD 21044

and the Commissioner of Internal Revenue make the following closing agreement:

WHEREAS, Grace filed a consolidated Federal income tax return for the taxable year ended December 31, 1999 in which W.R. Grace & Co.-Conn (hereinafter "Grace-Conn"), joined;

WHEREAS, On March 9, 1999, E & C Liquidating Corp. ("E&C"), a dormant subsidiary of Grace changed its name to Environmental Liability Management Inc. (hereafter "ELM"). The articles of incorporation and the existing capital structure of the company were modified. On October 12, 1999, ELM changed its name to Remedium Group, Inc. (hereinafter "Remedium");

WHEREAS, On March 9, 1999, Grace-Conn transferred certain environmental remediation and property damage liabilities valued at \$128,573,379, the ("Legacy Liabilities"); an assigned interest of \$128,701,952 in a \$132,500,000 ten year promissory note of Grace International Holdings, Inc. ("GIH"), a Grace subsidiary; cash of \$1,223; office equipment, fixtures and other property to Remedium in exchange the transfer of 1,223 shares of Remedium Class B Common Stock;

WHEREAS, On September 29, 1999, Grace sold 1,223 shares of class B Common Stock to de maximis, inc. (hereinafter "de maximis") an unrelated entity for \$130,000;

WHEREAS, Grace claimed a capital loss of \$128,600,000 ("the Capital Loss") for the taxable year ended December 31, 1999 on its consolidated return with respect to the sale of Remedium Class B Common Stock;

WHEREAS, the Remedium transaction that resulted in the claimed loss constituted a contingent liability that is similar to those described in Notice 2001-17, 2001 C.B.730;

Closing Agreement with W.R Grace and Co., EIN: 65-0773649, on its own behalf and as common parent of the W.R Grace & Co. & Subsidiaries Consolidated Group

WHEREAS, a dispute has arisen between the parties whether the Capital Loss claimed by Grace on the sale of its Remedium Class B common stock is allowable;

WHEREAS, Grace and the Commissioner of Internal Revenue desire to determine with finality whether the Capital Loss claimed is allowable.

Closing Agreement with W.R Grace and Co., EIN: 65-0773649, on its own behalf and as common parent of the W.R Grace & Co. & Subsidiaries Consolidated Group

NOW IT IS HEREBY DETERMINED AND AGREED FOR FEDERAL INCOME TAX PURPOSES THAT:

1. Of the \$128,600,000 capital loss claimed on the Remedium transaction, \$32,150,000 is allowed and \$96,450,000 is permanently disallowed.
2. The amount disallowed pursuant to above determination paragraph 1, is not recoverable as deduction, loss or basis or in any other manner at any time.

This agreement is final and conclusive except:

- (1) the matter it relates to may be reopened in the event of fraud, malfeasance, or misrepresentation of material fact;
- (2) it is subject to the Internal Revenue Code sections that expressly provide that effect be given to their provisions (including any stated exception for Code section 7122) notwithstanding any other law or rule of law; and
- (3) if it relates to a tax period ending after the date of this agreement, it is subject to any law, enacted after the agreement date, that applies to that tax period.

By signing, the above parties certify that they have read and agreed to the terms of this document.

Your signature _____

Date Signed _____

Spouse's signature (if a joint return was filed) _____

Date Signed _____

Taxpayer's representative _____

Date Signed _____

Taxpayer (other than individual) _____

By _____

Date Signed _____

Title _____

Commissioner of Internal Revenue

By _____

Date Signed _____

Title _____